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CALIFORNIA HOUSING FINANCE AGENCY

**SNHP CAPITALIZED OPERATING
SUBSIDY RESERVE AGREEMENT**

CalHFA Development No. _____

This Capitalized Operating Subsidy Reserve (“**COSR**”) Agreement (the “**Agreement**”) dated as of _____ 20__, is made and entered into by and between _____, a California _____ (“**Borrower**”) and the California Housing Finance Agency (the “**Agency**”), a public instrumentality and political subdivision of the State of California created by the Zenovich-Moscone-Chacon Housing and Home Finance Act (the “**Act**”), Division 31 of the California Health and Safety Code.

WHEREAS, Borrower is the owner of the property located in _____ County, California (the “**Property**”). Pursuant to the Local Government Special Needs Housing Program (the “**SNHP**”), Borrower acquired a loan in the original amount of _____ and No/100s Dollars (\$_____) (the “**SNHP Loan**”) to finance the development on the property commonly known as _____ Apartments (the “**Development**”), for the purpose of making available permanent supportive housing for the Eligible Clients, as defined below.

WHEREAS, in connection with the SNHP Loan, Borrower entered into a Regulatory Agreement (the “**SNHP Regulatory Agreement**”) and has applied for a COSR for the purpose of subsidizing operating costs related to _____ (__) units that will be occupied by Eligible Clients (the “**COSR-Assisted Units**”).

WHEREAS, the Agency has determined that the COSR-Assisted Units require a COSR totaling _____ and No/100s Dollars (\$_____) to subsidize the operating deficits of the COSR-Assisted Units for an estimated term of _____ (__) years, subject to the provisions of this Agreement. The funds in the COSR (the “**COSR Funds**”) shall be funded by _____ and No/100s Dollars (\$_____) of funding from the SNHP (the “**SNHP COSR Funds**”) [and _____ and No/100s Dollars (\$_____) of funding from Borrower from non-SNHP sources (the “**Borrower Funds**”)].

Capitalized words and phrases used without definition in this Agreement and defined in the SNHP Regulatory Agreement shall have the meanings ascribed to them therein.

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NOW THEREFORE, in consideration of the terms, conditions and covenants hereinafter set forth, the parties agree as follows:

1. COSR Administration. The COSR Funds shall be held and administered by the Agency for the benefit of the Development. If the COSR Funds are comprised of both SNHP COSR Funds and Borrower Funds, the funding sources shall be accounted for separately.

2. Term of Agreement. This Agreement shall be effective as of the recordation of the SNHP Deed of Trust associated with the SNHP Loan and shall remain in full force and effect until the earlier of: (a) the termination of the SNHP Regulatory Agreement; or (b) depletion of the COSR Funds. If the SNHP Regulatory Agreement is terminated prior to the depletion of the COSR Funds, any remaining SNHP COSR Funds shall be returned to the Agency; and, if applicable, any remaining Borrower Funds shall be returned to the Borrower.

3. Initial Disbursement. An Initial Disbursement, as defined below, shall be permitted by the Agency once all conditions specified in Section 8 of this Agreement have been satisfied.

4. Development Details.

(a) This Development is a [Rental Housing Development (5+ rental units)/ Shared Housing Development (1 - 4 bedrooms or rental units)].

(b) This Development is a [Mixed Population/Single Population] development.

(c) This Development has:
Total Units or (Bedrooms (if Shared Housing)): _____
Total SNHP Regulated Units: _____
Total COSR-Assisted Units: _____

(d) Project-Based Operating or Rental Subsidies (defined below) available for all or some of the COSR-Assisted Units (if any): [*DELETE IF NONE.*]

Type: _____
Amount: _____
Renewable: _____
Term: _____
Units Covered: _____

Any Project-Based Operating or Rental Subsidies shall be used prior to the COSR Funds.

5. Definitions.

(a) “**Borrower Funds**” means the amount of funds contributed by the Borrower to the COSR for the benefit of the Development, subject to the terms of this Agreement.

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- (b) “**Business Day**” means Monday through Friday excluding state and federal holidays.
- (c) “**Capitalized Operating Subsidy Reserve Funds (“COSR Funds”)**” means the capitalized operating subsidy reserve held and administered by the Agency to cover deficits in operating expenses attributable to the COSR-Assisted Units in accordance with this Agreement. The COSR is for the benefit of the COSR-Assisted Units.
- (d) “**Certificate of Occupancy**” means a certificate, or equivalent, issued by a local building department to the Borrower that indicates that the Development has met all local code requirements and is ready for occupancy.
- (e) “**Completion Date**” means: (i) the date the Development receives its Certificate of Occupancy for new construction; or (ii) the date the Notice of Completion form, or equivalent, is recorded, for acquisition-rehabilitation projects; or (iii) the SNHP Permanent Loan Closing Date for those projects already constructed and where no rehabilitation is contemplated.
- (g) “**COSR-Assisted Unit Rent**” means the rent payable on a COSR-Assisted Unit. Eligible Clients occupying COSR-Assisted Units are required to pay rents that are equivalent to the higher of: (i) thirty percent (30%) of thirty percent (30%) of AMI, adjusted for number of bedrooms, household size, utility allowances and other SSI/SSP deductions, as applicable; or (ii) thirty percent (30%) of the total household income less any required utility allowance when paid by the Eligible Client.
- (h) “**COSR Servicing Fee**” means the annual COSR servicing fee payable by Borrower to the Agency in advance from Development income for as long as the Agency controls COSR Funds. The COSR Servicing Fee shall be Five Thousand and No/100s Dollars (\$5,000.00) per year. The COSR Servicing Fee may be increased at the Agency’s sole discretion upon the refinancing or restructuring of the Development’s SNHP Loan, or any other event requiring changes to the SNHP Loan documents. Failure to pay the COSR Servicing Fee shall be considered an event of default under the SNHP loan documents.
- (i) “**County**” means the County of _____ Department of _____.
- (j) “**Eligible Client**” is defined in the SNHP Regulatory Agreement.
- (k) “**Fiscal Year**” means the twelve (12) month accounting period as stated in the SNHP Regulatory Agreement.
- (l) “**Gross Income**” is defined in the SNHP Regulatory Agreement.
- (m) “**Initial Disbursement**” means the first (1st) advance of funds from the COSR Funds that may be released by Agency upon the request of the Borrower, following the later of: (a) the SNHP Loan Closing Date; or (b) the date of the Development’s Certificate of Occupancy.

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(n) “***Project-Based Operating or Rental Subsidies***” means all committed project-based operating or rental subsidies including but not limited to project-based Section 8 of the United States Housing Act (42 USC § 1437f), as amended (“***Section 8***”), or other government or private foundation-based subsidies, other than COSR.

(o) “***Tenant-Based Rental Subsidies***” means all individual tenant-based rental subsidies including but not limited to individual Section 8 vouchers or County-based subsidies, other than COSR.

6. COSR Funding.

(a) SNHP COSR Funds shall be funded as of the date of this Agreement.

(b) Borrower Funds, if any, shall be deposited with the Agency in accordance with the terms of the SNHP Regulatory Agreement.

(c) Unless otherwise approved by the Agency, Borrower Funds shall be used for COSR Disbursements and depleted prior to the use of SNHP COSR Funds.

7. Purpose and Uses of COSR Funds.

(a) The COSR Funds are intended to cover deficits in the approved Operating Expenses attributable to the COSR-Assisted Units to the extent not covered by the proportionate share of Gross Income attributable to the COSR-Assisted Units.

(b) The amount of the disbursements from the COSR (each a “***COSR Disbursement***”) are determined in advance by the Agency for each Fiscal Year, as set forth in Section 9, below. At any time during the term of the SNHP Loan, the Agency may review, re-underwrite and adjust the COSR amount, or the disbursements thereunder, if it determines, in its sole discretion, that COSR payments are not necessary or that the Gross Income attributable to the COSR-Assisted Units is sufficient to cover all Development-related Operating Expenses attributable to the COSR-Assisted Units or that such adjustment will improve the long term viability of the COSR for the benefit of the Development. The Agency may also consider commercial lender financial requirements applicable to the Development when making this determination. For purposes of this Agreement, “Gross Income attributable to the COSR-Assisted Units” means all rents, rental subsidies, operating subsidies, Supportive Services operating fees attributable to the COSR-Assisted Units, and the *pro rata* share of any other general income of the Development, such as laundry income (but excluding commercial income to the Development).

(c) The COSR Funds required for the COSR-Assisted Units are estimated to last the period as set forth in the Recitals, and as reflected in the Agency-Approved Operating Budget and COSR-Assisted Units Cash Flow Projections attached hereto as **Exhibit A**. The Agency’s projected annual COSR Disbursement amounts may, in the Agency’s sole and absolute discretion, exceed the estimates reflected in the Exhibit A COSR-Assisted Units Cash Flow Projections if required to pay for eligible operating expenses shown in (d) or (e) below, but not for costs in (f) or (g) below.

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(d) COSR Disbursements shall be used to pay approved Operating Expenses in excess of actual Development income attributable to the COSR-Assisted Units, including:

(i) The *pro rata* share of the SNHP Servicing Fee, as defined in the SNHP Regulatory Agreement and described in Exhibit D thereto, and;

(ii) The COSR Servicing Fee, defined herein, for so long as a COSR Funds are held by the Agency and Agency is providing Servicing;

(iii) Supportive Services coordinator salaries and benefits attributable solely to services provided to Eligible Clients residing in SNHP Regulated Units, or when otherwise approved by the County; and

(iv) The *pro rata* share of Residual Receipts payments, monitoring, or servicing fees for loans financed by the California Department of Housing and Community Development (“HCD”).

(e) COSR Funds may be used to pay the COSR-Assisted Unit Rent, if the Eligible Client is unable to pay, under the following circumstances and conditions:

(i) The COSR may continue for up to three (3) months when the Eligible Client is in the hospital, an acute or long-term care facility, or other institutional setting, provided that the Eligible Client is expected to return within the three-month period;

(ii) The COSR may continue for up to three (3) months following the date the Eligible Client vacates the COSR-Assisted Unit if the Eligible Client previously resided in the COSR-Assisted Unit with the same household members who continue to occupy that Unit. Borrower shall ensure that tenants who are not Eligible Clients who continue to reside in the Unit after the Eligible Client is no longer in residence are given three (3) months’ notice that the COSR will be terminated, that the rent amount will be adjusted to a market rate or the maximum allowable rent under the Development’s other regulatory agreements, and the effective date of the rent increase; and

(iii) In addition to (i) and (ii) above, the COSR may continue for up to two (2) months upon vacancy of a COSR-Assisted Unit.

(f) In no event shall COSR Funds be approved for the payment of Non-Standard Operating Expenses identified in Exhibit D of the Regulatory Agreement if the Agency determines that the COSR Disbursement will significantly reduce the projected term of the COSR Funds. The balance of the annual projected COSR Disbursement, or a portion thereof, may, in the Agency’s sole and absolute discretion, be used to pay the following, in the priority order specified below:

(i) Non-Agency required operating reserves funded from Development cash flow;

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and (ii) Deferred developer fees, if any, attributable to the COSR-Assisted Units;

(iii) The proportionate share of PAMF, as defined in the SNHP Regulatory Agreement.

(g) COSR Funds shall NOT be used to pay:

(i) COSR-Assisted Unit Rents (except as otherwise set forth in subsection (e), above), including rent and utility payments for Eligible Clients who have no income while waiting to be qualified for SSI/SSP payments (unless otherwise approved by the County).

(ii) Amortized debt service payments.

(iii) Ground Lease payments.

(iv) Asset management fees or PAMF in excess of the maximum amount allowed by Exhibit D to the Regulatory Agreement.

(v) The operating costs of any non COSR-Assisted Unit.

(vi) The operating expenses of any SNHP Regulated Units for which the Borrower did not apply for and receive a COSR award.

(vii) Distributions, as defined in the SNHP Regulatory Agreement.

(viii) Residual Receipts payments, monitoring, or servicing fees owed to other lenders (excluding loans from HCD).

(ix) Balloon payments on other loans.

(x) Other costs not approved by the Agency.

8. Occupancy Rent Requirements.

(a) Eligible Clients renting COSR-Assisted Units shall pay the COSR-Assisted Unit Rent as defined herein.

(b) Except as otherwise provided in Section 7, above, COSR Funds shall only be available in those months that an Eligible Client occupies a COSR-Assisted Unit.

(c) Exhaustion of the COSR Funds:

(i) If COSR Funds are expected to be exhausted prior to the Maturity Date of the original SNHP Loan, the Borrower shall submit a plan for transition of the terms of

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occupancy of those Units. The plan shall be submitted to the Agency at least two (2) years prior to the expected depletion of the COSR Funds. The plan shall include, but not be limited to, the following:

(1) An explanation of the efforts the Borrower has made to secure Project-Based Operating or Rental Subsidies necessary to sustain the lower SNHP Regulated Units rents from other sources.

(2) A process for increasing the rents and continuing to market and rent the SNHP Regulated Units to Eligible Clients who do not require subsidies. In no event may rents exceed those identified in the SNHP Regulatory Agreement.

(3) The plan for continuing, throughout the term of the SNHP Loan, to apply for other subsidies, renewal of subsidies, and/or applications to the County or other sources for additional funds to subsidize the rents of SNHP Regulated Units to Eligible Clients.

(d) In the event of any conflict between this section and Section 4 (“Rental and Occupancy Requirements”) of the SNHP Regulatory Agreement, the SNHP Regulatory Agreement shall prevail unless otherwise approved in writing by the Agency.

9. Calculation of COSR Disbursements.

(a) The amount of the COSR Disbursements shall be based on the difference between: (i) the anticipated Gross Income attributable to the COSR-Assisted Units; and (ii) the anticipated vacancies and estimated annual operating costs attributable to the COSR-Assisted Units.

(b) COSR Disbursement amounts will annually be determined by the Agency in advance for each Fiscal Year as estimated in the Agency-Approved COSR-Assisted Units Cash Flow Projections attached hereto as part of Exhibit A. Annual COSR Disbursements of the amount determined by the Agency are subject to Section 12 below.

(c) The calculation of the Initial Disbursement shall be in accordance with Section 11, below.

(d) The COSR Disbursements will be reconciled with actual Gross Income and operating costs at or prior to each Fiscal Year’s end. The Agency may require more frequent reconciliation of the COSR Disbursements in its sole and absolute discretion.

(e) If funds from any COSR Disbursement remain unused in any given year, those funds shall be applied toward the next Fiscal Year’s COSR Disbursement.

10. Ownership, Reduction or Termination of COSR Funds.

(a) Borrower acknowledges and agrees that it has no ownership interest in the SNHP COSR Funds.

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(b) Borrower acknowledges and agrees that the SNHP COSR Funds may be reduced or reallocated by the Agency prior to depletion if the Development receives new, or an extension of, existing Project-Based Operating or Rental Subsidies beyond those identified in the original underwriting, and in the judgment of the Agency the Development no longer requires COSR Funds.

(c) Borrower acknowledges and agrees that the SNHP COSR Funds shall be reduced, suspended or terminated under the following circumstances:

(i) COSR-Assisted Units are not rented to Eligible Clients.

(ii) The Eligible Client occupying a COSR-Assisted Unit has Tenant-Based Operating Subsidies.

(iii) The COSR-Assisted Unit receives Project-Based Operating or Rental Subsidies that were not anticipated in the original underwriting as depicted in Exhibit A.

(iv) The Borrower is in default under the SNHP Regulatory Agreement or other SNHP Loan Documents.

(d) If the Agency determines that the Development has not used, or will not be able to fully use, the Borrower Funds in the first twenty (20) years following the execution of this Agreement, the Agency may return a portion or all of the remaining Borrower Funds, subject to such terms and conditions as the Agency may require.

11. Conditions for the Initial Disbursement.

(a) After the Completion Date, as defined herein, and the execution of the SNHP Loan Documents, Borrower may request the Initial Disbursement of COSR Funds upon the Agency's receipt and approval of the following:

(i) Updates to Exhibit A, reflecting any changes to the Agency approved first year Annual Operating Budget and long-term cash flow projections meeting SNHP requirements.

(ii) Documentation supporting any changes to the permanent funding sources reflected in Exhibit D to the Regulatory Agreement, including loan or grant amounts, payment terms, draft loan documents (when available), and legal documentation, as requested.

(iii) A description of and documentation for any Project-Based Operating Subsidies or Rental Subsidies, or Tenant-Based Operating Subsidies committed, contemplated, or denied for use in the Development.

(iv) The proposed SNHP rental agreements and rent schedule showing the projected COSR-Assisted Units gross rents, utility allowances, and contract rents.

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(v) Documentation showing the current utility allowance assumptions approved by the local housing authority.

(vi) Any updates to the County Approved Supportive Services Plan.

(vii) An executed Memorandum of Understanding between Borrower, County, the primary service provider (if other than the County), and the property management firm or agent.

(viii) Full advance of SNHP Loan proceeds (unless otherwise approved by the Agency).

(ix) Full funding and transfer to the Agency of the Operating Expense Reserve (OER) when required by Exhibit C (Impounds and Reserves) to the SNHP Regulatory Agreement.

(x) Other items deemed necessary by the Agency to determine the required amount of COSR Funds to be disbursed, or to meet the requirements of the SNHP.

(b) Borrower shall provide a signed SNHP Requisition for First Disbursement of Capitalized Operating Subsidy Reserve Funds (a sample of which is attached hereto as **Exhibit B**) at least twenty (20) Business Days prior to the requested date for disbursement of COSR Funds.

(c) The Initial Disbursement of COSR Funds may include a per diem of the COSR Funds from the beginning of the month the Certificate of Occupancy was issued through the remainder of the current Fiscal Year; provided, however, that if six (6) or fewer months remain in the current Fiscal Year, the Initial Disbursement may cover the remainder of the current Fiscal Year plus the next full Fiscal Year, not to exceed 18 months.

12. Subsequent Disbursement of COSR Funds.

(a) Subsequent COSR Disbursements shall require: (i) Requisition for Disbursement (on the form available at the Agency's website at <http://www.calhfa.ca.gov>) at least twenty (20) Business Days prior to the requested date for disbursement of funds; (ii) a yearly income and expense report; (iii) reports as required in Section 13(d); and (iv) additional information as requested by the Agency.

(b) All subsequent COSR Fund Disbursements shall be subject to the Borrower's full compliance with all other terms and conditions of this Agreement and the SNHP Regulatory Agreement.

13. Borrower's Ongoing Obligations.

(a) Borrower is required to re-apply for Project-Based Operating or Rental Subsidies when they expire and comply with all other requirements of the SNHP Regulatory Agreement.

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(b) COSR-Assisted Unit Rent:

The COSR-Assisted Unit rental agreement shall provide that once the Eligible Client qualifies for and begins collecting SSI/SSP and/or tenant-based subsidies, the Eligible Client shall be responsible for any portion of rent that was due and unpaid during the time the Eligible Client was attempting to qualify for such benefits. If the portion of rent was paid with SNHP Tenant Rent and Utility Reserve (“**RUR**”), as defined in the Regulatory Agreement, any back rent and utility payments shall be deposited into the RUR.

(c) Occupancy and Rent Requirements:

(i) Except as otherwise provided in subsection 7(e), above, Borrower is required to collect the minimum COSR-Assisted Unit Rent for each COSR-Assisted Units, or use non-COSR funds to cover the minimum required COSR-Assisted Unit Rent.

(ii) Borrower is required to rent COSR-Assisted Units to Eligible Clients. Borrower is required to obtain certification from the County, or other entity authorized by the County, that tenants renting COSR-Assisted Units are Eligible Clients and to file that certification in the Eligible Client’s file.

(d) Reporting:

(i) The Borrower shall submit a schedule of unit rents, in a form acceptable to the Agency, and an Annual Operating Budget of the Development’s projected Operating Expenses and anticipated income sixty (60) days prior to the beginning of the Development’s Fiscal Year. The Annual Operating Budget should reflect COSR Fund Distributions requested by the Borrower for that year. The Borrower shall submit a bifurcated Annual Operating Budget that distinguishes the COSR-Assisted Units from those Units that do not receive the COSR Funds subsidy, and if applicable, SNHP Regulated Units which do not receive a subsidy.

(ii) The Borrower shall submit an Annual Audit of the Development’s actual income and expenses ninety (90) days after the end of the Development’s Fiscal Year. The Annual Audit shall reflect the actual distribution of COSR Funds for that Fiscal Year and any unspent COSR Funds (that were previously distributed to Borrower) at the end of the Fiscal Year, if applicable. The Borrower shall submit a bifurcated Annual Audit that distinguishes actual annual income and expenses of COSR-Assisted Units from those Units that do not receive the subsidies.

14. Assignment Prohibited.

This Agreement shall not be assignable by Borrower in whole or in part without the prior written approval of the Agency.

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15. Cross-Default.

A default under the SNHP Regulatory Agreement will constitute a default under this Agreement and a default under this Agreement shall constitute a default under the SNHP Loan Documents.

16. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BORROWER:

By: *Draft – Do Not Execute*
Name: _____
Title: _____

AGENCY:

CALIFORNIA HOUSING FINANCE
AGENCY, a public instrumentality and political
subdivision of the State of California

By: _____
Name: _____
Title: _____

- Exhibit A: Agency-Approved Operating Budget and COSR-Assisted Units Cash Flow
Projections (per Cash Flow Proforma)
- Exhibit B: Sample SNHP Requisition for First Disbursement of Capitalized Operating
Subsidy Reserve Funds

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EXHIBIT A



Agency-Approved Operating Budget and COSR-Assisted Units Cash Flow Projections

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EXHIBIT B

**Sample SNHP Requisition for First Disbursement
of
Capitalized Operating Subsidy Reserve Funds**

(See form behind this page)

 California Housing Finance Agency		State of California 	
SNHP Requisition for First Disbursement of Capitalized Operating Subsidy Reserve ("COSR") Funds			
DO NOT PRINT AND USE THIS FORM - DOWNLOAD THE .XLS FILE FROM CALHFA'S WEBSITE			
Project Name:		Fiscal Year(s):	
CalHFA SNHP Project Number:			
Property Address: (include city, state and ZIP code)			
Total Rental units in Project (or bedrooms if operated as Shared Housing)			
Number of SNHP Regulated units/bedrooms in Project			
Number of SNHP COSR Assisted Units/bedrooms in Project			
The First COSR disbursement request may cover the month in which the Certificate of Occupancy was issued through the end of the then current fiscal year with the amount requested being based on a pro rata share of the projected 1st year COSR disbursement reflected in the COSR Agreement Exhibit A - COSR Assisted Unit Cash Flow projections, attached hereto. If there are six or fewer months remaining until the start of the Project's first full fiscal year of operations, the Borrower may request up to an additional twelve months of COSR distributions.			
Date of Certificate of Occupancy:			
Time Frame for which Assistance is requested:			
Total Months of Operating Subsidy requested: months (maximum 18 months)			
1st year COSR Disbursement reflected in the COSR Assisted Unit Cash Flow projections (bottom of Year 1 column):			
or \$0 /month (rounded)			
This is a request for the release of the following amount from the COSR:			
Purpose	Number of Months Requested (18 months max)	Pre-Approved 1st year monthly pro rata COSR Disbursement	Total COSR Amount
Operating Subsidy to cover COSR units' operating deficits:	0 months	\$0	\$0.00
Yearly, the Borrower is required to apply for all available rental and operating subsidy sources to supplement or replace the COSR funds awarded to this Project. Describe the subsidies you applied for and the outcome:			
Borrower understands that each SNHP tenant must pay rent (as required in the COSR Agreement) and that COSR funds may not be requested for SNHP tenant rent or utility payments. Refer to Exhibit D of the SNHP Regulatory Agreement when requesting payment of non-standard operating expenses. The Borrower is expected to use local subsidy funds, or any "Rent and Utility Reserve" funds they hold, to cover SNHP tenants' required rent and utility payments. The undersigned Borrower requests that CalHFA disburse projected COSR funds as permitted by the terms of the Project's Capitalized Operating Subsidy Reserve Agreement ("COSRA") and SNHP Regulatory Agreement. To the best of Borrower's knowledge, information, and belief, the COSR disbursement amount requested is necessary to provide sufficient funds to cover anticipated COSR-assisted unit operating deficits. Borrower certifies that they shall reconcile the use of disbursed COSR funds when requesting subsequent COSR disbursements (using the SNHP COSR Disbursement Request form posted on the www.calhfa.ca.gov multifamily webpage). If applicable, excess disbursed COSR funds must be applied towards subsequent fiscal years' eligible COSR uses.			
Borrowing Entity Name and mailing address for check:			
Authorized Signatory Name	Signature of the Authorized Signatory:		Date:
	www.calhfa.ca.gov		

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Attachments to SNHP Requisition for Disbursement of COSR:

1. Certificate of Occupancy
2. Exhibit A to the COSR Agreement – “Agency Approved Operating Budget and SNHP Cash Flow Projections”